

HOUSE BILL No. 1461

DIGEST OF INTRODUCED BILL

Citations Affected: IC 20-12.

Synopsis: Tuition rates for state educational institutions. Limits the amount by which Indiana University, Purdue University, Ball State University, Indiana State University, and the University of Southern Indiana, including their regional campuses and satellite locations, may increase tuition for an undergraduate student who is an Indiana resident during a period of four academic years, beginning with the academic year in which the student first enrolls in the institution. Allows the state educational institution to adopt a policy limiting tuition increases for nonresident undergraduate students.

Effective: July 1, 2005.

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January 18, 2005, read first time and referred to Committee on Education.

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Introduced

First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

HOUSE BILL No. 1461

A BILL FOR AN ACT to amend the Indiana Code concerning education finance.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 20-12-23-2 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) The board of
3 trustees of the state university shall be nine (9) in number.
4 (b) This subsection does not apply to the student trustee appointed
5 under IC 20-12-24-3.5. Not more than:
6 (1) one (1) of the trustees elected under IC 20-12-24-2; and
7 (2) two (2) of the trustees appointed under IC 20-12-24-3;
8 may reside in the same county.
9 (c) The trustees and their successors shall be a body politic, with the
10 style of "The Trustees of Indiana University"; in that name to sue and
11 be sued; to elect one (1) of their number president; to elect a treasurer,
12 secretary, and such other officers as they may deem necessary, to
13 prescribe the duties and fix the compensation of such officers; to
14 possess all the real and personal property of such university for its
15 benefit; to take and hold, in their corporate name, any real or personal
16 property for the benefit of such institution; to expend the income of the
17 university for its benefit; to declare vacant the seat of any trustee who

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1 ~~shall~~ is absent ~~himself~~ from two (2) successive meetings of the board,
 2 or be guilty of any gross immorality or breach of the bylaws of the
 3 institution; to elect a president, such professors and other officers for
 4 such university as shall be necessary, and prescribe their duties and
 5 salaries; to employ other persons as necessary; to establish programs
 6 of fringe benefits and retirement benefits for the university's officers,
 7 faculty, and other employees that may be supplemental to or in lieu of
 8 state retirement programs established by statute for public employees;
 9 to prescribe the course of study and discipline and, **subject to section**
 10 **2.5 of this chapter, the price of tuition in such university; and to make**
 11 **all bylaws necessary to carry into effect the powers hereby conferred.**

12 SECTION 2. IC 20-12-23-2.5 IS ADDED TO THE INDIANA
 13 CODE AS A NEW SECTION TO READ AS FOLLOWS
 14 [EFFECTIVE JULY 1, 2005]: **Sec. 2.5. Beginning with the 2006-2007**
 15 **academic year, in setting tuition rates under section 2 of this**
 16 **chapter, the board of trustees:**

17 (1) **must provide that the tuition rates charged an**
 18 **undergraduate student who is a resident of Indiana; and**

19 (2) **may provide that the tuition rates charged an**
 20 **undergraduate student who is not a resident of Indiana;**

21 **may not exceed in each of the four (4) consecutive academic years,**
 22 **beginning with the academic year in which the student first enrolls**
 23 **in the university, the maximum allowable tuition rates determined**
 24 **for that academic year under IC 20-12-76.**

25 SECTION 3. IC 20-12-36-4 IS AMENDED TO READ AS
 26 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. From and after the
 27 date of the location made as aforesaid, the corporate name of the
 28 trustees of the Indiana Agricultural College shall be "The Trustees of
 29 Purdue University"; and they shall take in charge, have, hold, possess,
 30 and manage, all and singular, the property and money comprehended
 31 in said donations, as also the fund derived from the sale of the land
 32 scrip donated under said act of Congress, and the increase thereof, and
 33 all money or other property which may hereafter at any time be donated
 34 to and for the use of said institution. They shall also have power to
 35 organize said university in conformity with the purposes set forth in
 36 said act of Congress, holding their meetings at such times and places
 37 as they may agree on, a majority of their number constituting a quorum.
 38 They shall provide a seal; have power to elect all professors and
 39 teachers, removable at their pleasure; fix and regulate compensations,
 40 including programs of fringe benefits and retirement benefits that may
 41 be supplemental to or in lieu of state retirement programs established
 42 by statute for public employees; do all acts necessary and expedient to

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put and keep said university in operation; ~~and~~ make all bylaws, rules, and regulations required or proper to conduct and manage the same, **and, subject to section 4.5 of this chapter, set tuition rates for students of the university.**

SECTION 4. IC 20-12-36-4.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 4.5. Beginning with the 2006-2007 academic year, in setting tuition rates under section 4 of this chapter, the board of trustees:**

(1) must provide that the tuition rates charged an undergraduate student who is a resident of Indiana; and

(2) may provide that the tuition rates charged an undergraduate student who is not a resident of Indiana;

may not exceed in each of the four (4) consecutive academic years, beginning with the academic year in which the student first enrolls in the university, the maximum allowable tuition rates determined for that academic year under IC 20-12-76.

SECTION 5. IC 20-12-56-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. (a) All powers, rights, privileges, duties, and obligations, statutory, contractual, or of whatever kind, conferred by law upon the State Teachers College board or Indiana State College board for the operation, maintenance, and financing of Indiana State University and its properties and facilities, or otherwise pertaining thereto, are hereby transferred and shall apply to the Indiana State University board of trustees created by this chapter and shall remain in full force and unchanged, notwithstanding the change of name of said college.

(b) All laws of a general nature referring to Indiana State Normal School, the board of trustees of Indiana State Normal School, Indiana State Teachers College, the State Teachers College Board, Indiana State College, the Indiana State College board, and to any public state normal school of the state apply to Indiana State University and the Indiana State University board of trustees with equal force and effect.

(c) Beginning with the 2006-2007 academic year, in setting tuition rates, the board of trustees:

(1) must provide that the tuition rates charged an undergraduate student who is a resident of Indiana; and

(2) may provide that the tuition rates charged an undergraduate student who is not a resident of Indiana;

may not exceed in each of the four (4) consecutive academic years, beginning with the academic year in which the student first enrolls in the university, the maximum allowable tuition rates determined

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1 **for that academic year under IC 20-12-76.**

2 SECTION 6. IC 20-12-57.5-11 IS AMENDED TO READ AS
3 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 11. ~~(Board: Body~~
4 ~~Corporate; Powers)~~ (a) The board of trustees shall constitute a
5 perpetual body corporate with power to:

- 6 ~~(a)~~ (1) manage, control, and operate Ball State University;
7 ~~(b)~~ (2) sue and be sued;
8 ~~(c)~~ (3) let contracts;
9 ~~(d)~~ (4) borrow money and issue bonds as authorized by the
10 ~~Indiana~~ general assembly;
11 ~~(e)~~ (5) prescribe conditions for admission;
12 ~~(f)~~ (6) grant degrees and issue diplomas or certificates;
13 ~~(g)~~ (7) fix laboratory, contingent, and other fees and charges;
14 ~~(h)~~ (8) set fines and penalties;
15 ~~(i)~~ (9) define the duties and provide compensation for faculty and
16 staff of the university, including authority to establish fringe
17 benefit programs, including retirement benefits which may be
18 supplemental to, or in lieu of, state retirement programs for
19 teachers or other public employees as authorized by law;
20 ~~(j)~~ (10) receive and administer all donations, bequests, grants,
21 funds, and property which are given to or provided for the
22 university;
23 ~~(k)~~ (11) promulgate rules and regulations pursuant to this chapter;
24 ~~(l)~~ (12) exercise all powers, rights, privileges, and duties
25 conferred upon the board by other laws of the general assembly;
26 and
27 ~~(m) to~~ (13) possess all other power in order to efficiently operate
28 the affairs of Ball State University.

29 **(b) Beginning with the 2006-2007 academic year, in setting**
30 **tuition rates, the board of trustees:**

- 31 **(1) must provide that the tuition rates charged an**
32 **undergraduate student who is a resident of Indiana; and**
33 **(2) may provide that the tuition rates charged an**
34 **undergraduate student who is not a resident of Indiana;**
35 **may not exceed in each of the four (4) consecutive academic years,**
36 **beginning with the academic year in which the student first enrolls**
37 **in the university, the maximum allowable tuition rates determined**
38 **for that academic year under IC 20-12-76.**

39 SECTION 7. IC 20-12-64-5 IS AMENDED TO READ AS
40 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. (a) The university
41 may do the following:

- 42 (1) Sue and be sued.

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(2) Let contracts.

(3) Enter into cooperative agreements with other educational institutions, including agreements leading to the use of the university as a host site for an educational program administered by another college or university.

(4) Prescribe conditions for admission.

(5) Grant degrees and issue diplomas or certificates signifying that a course of postsecondary study has been completed or a degree has been conferred.

(6) **Subject to subsection (b)**, fix laboratory, contingent, and other fees and charges.

(7) Set fines and other sanctions for noncompliance with a university contract or rule.

(8) Employ a faculty and staff for the university, define the duties of the faculty and staff, and provide compensation for the faculty and staff, including a program of fringe benefits and a program of retirement benefits that may supplement or supersede the state retirement programs established by statute for teachers or other public employees.

(9) Receive, administer, and dispose of all donations, bequests, grants, funds, and other property that may be given to the university or otherwise acquired by the university.

(10) Engage in research or public service that furthers an educational purpose.

(11) Exercise all powers, rights, privileges, and duties conferred upon the university or the board by any statute enacted by the general assembly.

(12) Adopt rules to carry out this chapter.

(13) Exercise all other powers necessary to conduct efficiently the affairs of the university.

(b) Beginning with the 2006-2007 academic year, in setting tuition rates, the board:

(1) must provide that the tuition rates charged an undergraduate student who is a resident of Indiana; and

(2) may provide that the tuition rates charged an undergraduate student who is not a resident of Indiana;

may not exceed in each of the four (4) consecutive academic years, beginning with the academic year in which the student first enrolls in the university, the maximum allowable tuition rates determined for that academic year under IC 20-12-76.

SECTION 8. IC 20-12-76 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE

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JULY 1, 2005]:

Chapter 76. Computation of Maximum Allowable Tuition Rates

Sec. 1. As used in this chapter, "academic year" refers to all semesters, quarters, trimesters, summer sessions, or other similar periods of course work beginning after June 30 of a year and before July 1 of the immediately following year.

Sec. 2. As used in this chapter, "base tuition rate" refers to the tuition rate charged for an equivalent course of study in the academic year immediately preceding the academic year for which a tuition rate is being computed under this chapter.

Sec. 3. As used in this chapter, "covered state educational institution" refers to the main campus, the regional campuses, and the satellite locations of the following:

- (1) Indiana University.
- (2) Purdue University.
- (3) Indiana State University.
- (4) Ball State University.
- (5) University of Southern Indiana.

Sec. 4. As used in this chapter, "Indiana nonfarm personal income" has the meaning set forth in IC 6-1.1-18.5-2.

Sec. 5. As used in this chapter, "tuition rate" refers to any mandatory tuition rate, including any separately stated lab or technology fees, charged in an academic year by a covered state educational institution to a resident student or nonresident student to attend, participate in, or receive academic credit for one (1) or more classes, seminars, independent studies, or other course work for which the covered state educational institution offers credit toward an undergraduate degree, excluding mandatory fees that are only incidentally related to the operating and capital expenses of providing the course work, such as a student activity fee, health center charge, or transportation charge.

Sec. 6. For purposes of IC 20-12-23-2.5, IC 20-12-36-4.5, IC 20-12-56-5, IC 20-12-57.5-11, and IC 20-12-64-5, the maximum allowable tuition rates chargeable to a student in an academic year may not exceed the applicable tuition rates determined under this section. A tuition rate chargeable to the student may not exceed the sum of the following:

- (1) The base tuition rate charged by the covered state educational institution to a student with the same resident or nonresident status for an equivalent course of study in the immediately preceding academic year.
- (2) The amount determined under STEP SIX of the following

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formula:

STEP ONE: Determine the Indiana nonfarm personal income for the calendar year immediately preceding the beginning of the academic year.

STEP TWO: Determine the Indiana nonfarm personal income for the calendar year immediately preceding the calendar year described in STEP ONE.

STEP THREE: Subtract:

- (i) the amount determined under STEP TWO; from
- (ii) the amount determined under STEP ONE.

STEP FOUR: Divide:

- (i) the remainder determined under STEP THREE; by
 - (ii) the amount determined under STEP TWO;
- rounded to the nearest one-thousandth (0.001).

STEP FIVE: Determine the greater of the STEP FOUR result or zero (0).

STEP SIX: Multiply:

- (i) the STEP FIVE result; by
 - (ii) the base tuition rate described in subdivision (1);
- rounded to the nearest whole dollar.

Sec. 7. For purposes of IC 20-12-23-2.5, IC 20-12-36-4.5, IC 20-12-56-5, IC 20-12-57.5-11, and IC 20-12-64-5, a student is considered first enrolled in a covered state educational institution in the first semester or other period of course work when:

- (1) under the rules of the covered state educational institution, the student has been admitted as an undergraduate student eligible to receive a degree awarded by the covered state educational institution; and
- (2) the student enrolls in at least:

- (A) eight (8) credit hours of course work for the semester; or

- (B) the equivalent of eight (8) credit hours for any period of study that is longer or shorter than a semester, as determined under the rules of the covered state educational institution.

The first academic year in which the student is considered enrolled shall be counted in determining the four (4) consecutive academic years to which IC 20-12-23-2.5, IC 20-12-36-4.5, IC 20-12-56-5, IC 20-12-57.5-11, and IC 20-12-64-5 apply. However, the four (4) consecutive years include a part of a fifth consecutive academic year equal to any part of the first academic year that the student was not considered enrolled in a covered state educational

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1 institution.

2 **Sec. 8. If a covered state educational institution offers a course**
3 **of study in an academic year for which no substantially equivalent**
4 **course of study was offered in the immediately preceding academic**
5 **year, the tuition rate for the course of study is the tuition rate set**
6 **by the covered state educational institution.**

7 **Sec. 9. If a covered state educational institution has a regional**
8 **campus or other satellite location, a separate tuition rate may be**
9 **determined for the main campus and for each regional campus or**
10 **other satellite location. If a student transfers between the campuses**
11 **or satellite locations maintained by a covered state educational**
12 **institution, the tuition rate applicable after the transfer is the**
13 **tuition rate that would have applied to the student if the student**
14 **had initially enrolled at the campus or satellite location to which**
15 **the student transfers.**

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